

Managing the Market: How Procurement Practices Impact Private Sector Wildfire Response Capacity



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Institute for a Sustainable Environment

National Wildfire Suppression Association, February 22, 2016



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US wildfire

- Wildland fires are increasing in frequency and extent
- Annual federal firefighting costs average \$1.5 billion
- In 2015:
 - USFS spent over 50% of entire agency budget on fire
 - Over 9.7 million acres burned
- USFS expects severe fires to double by 2050

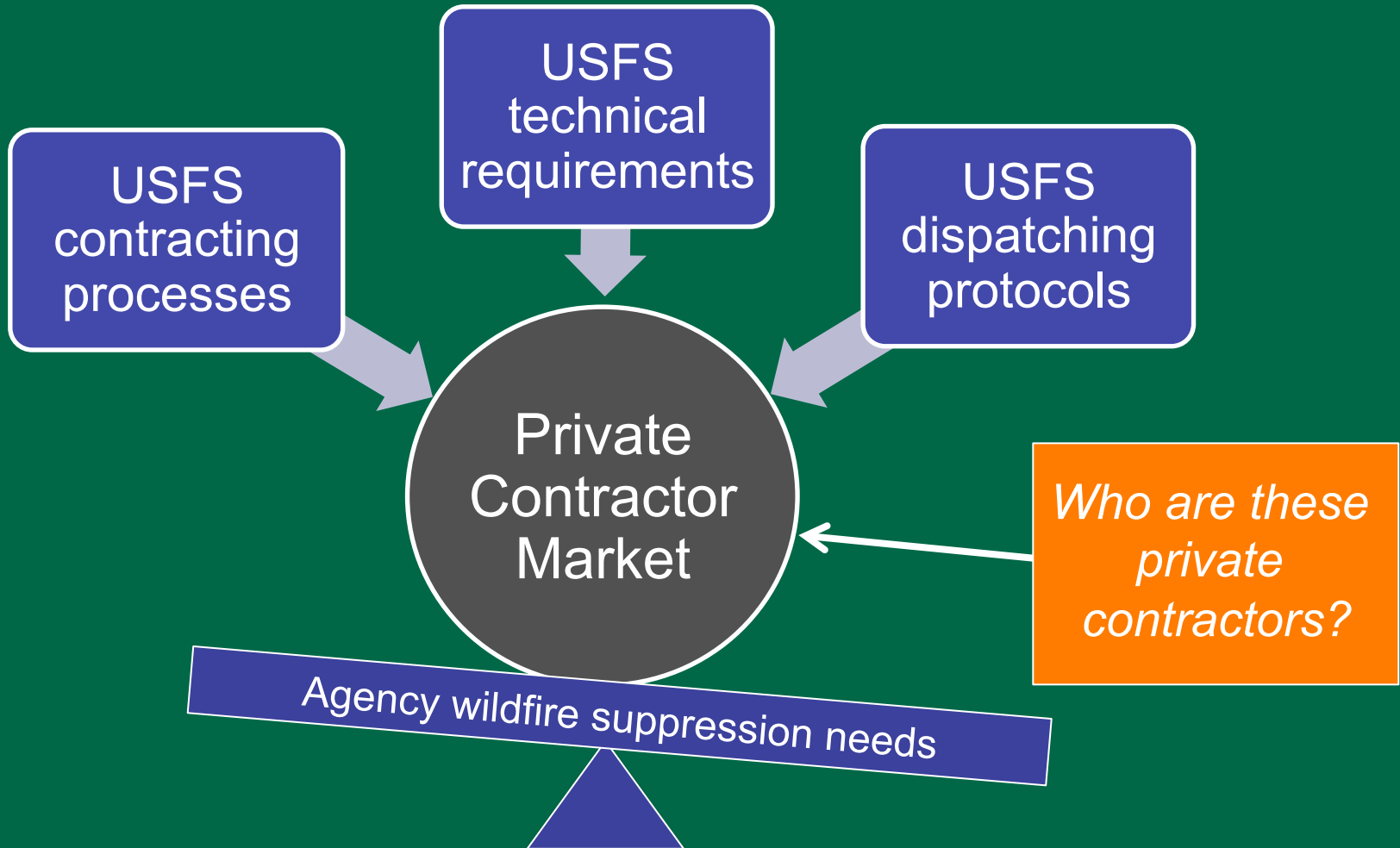


USFS fire response and management



- Federal capacity to manage fires increasingly depends on private contractors
- Fire suppression contractors depend on needs of agencies for fire suppression work

USFS' wildfire suppression needs drive private contracting:

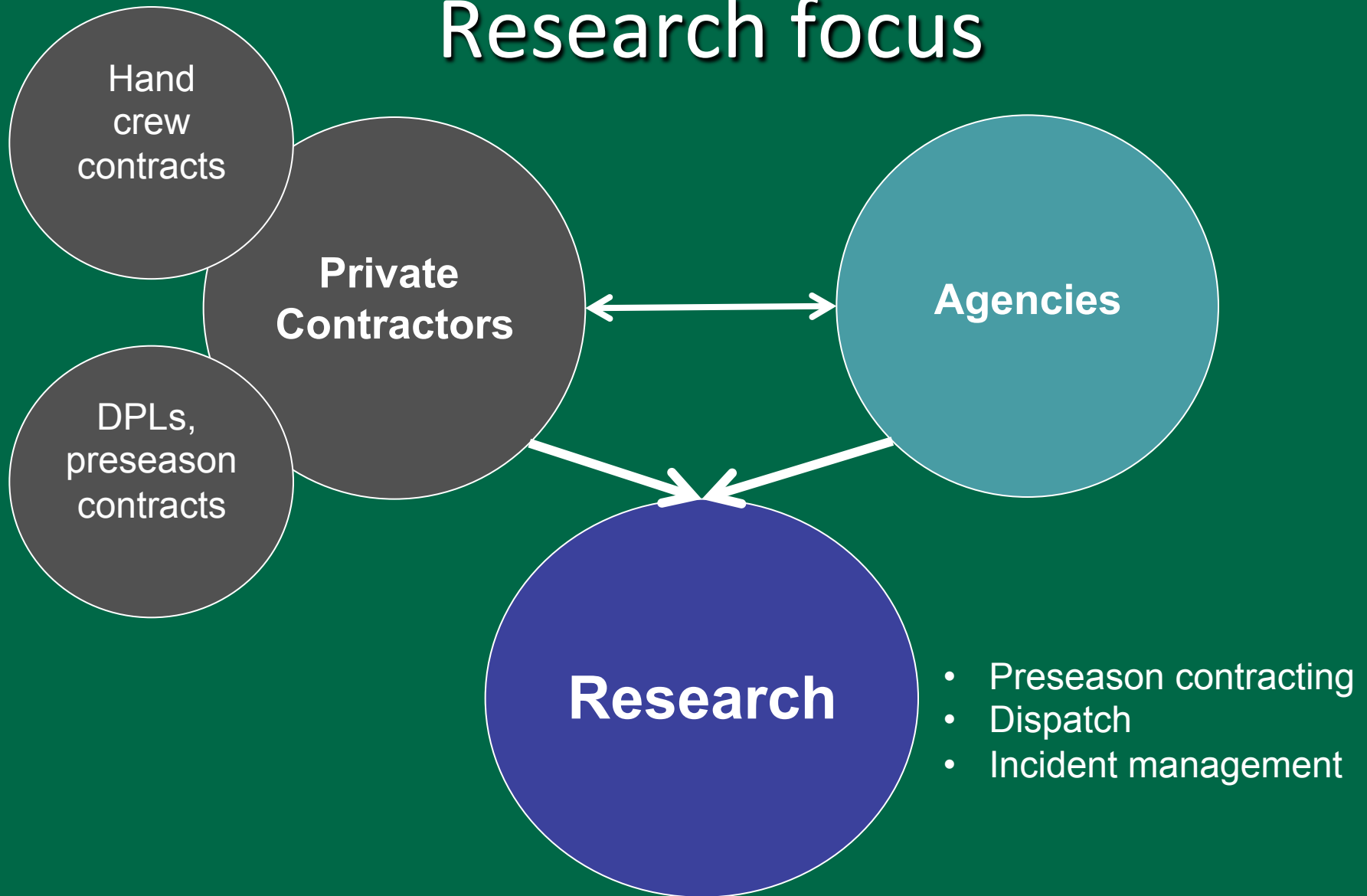


Joint Fire Science Program (JFSP)



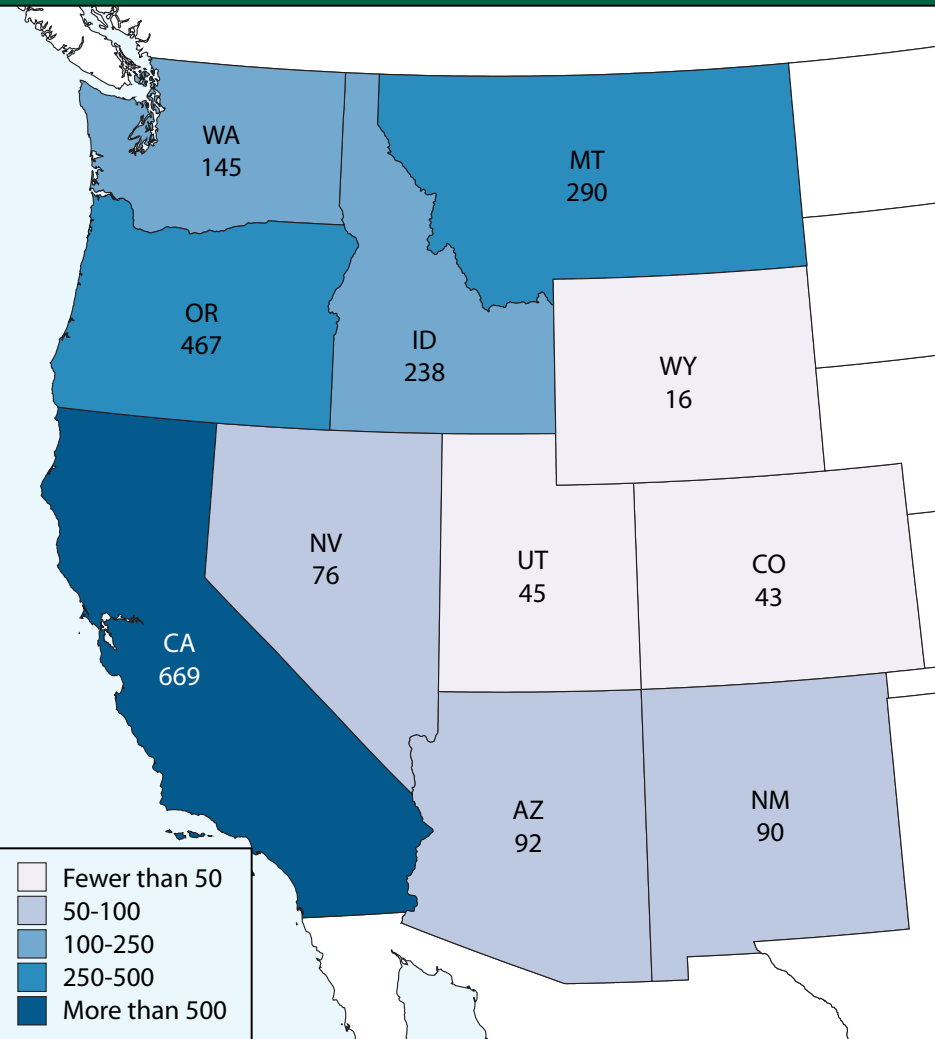
- **JFSP is focused on:**
 - Providing credible research tailored to the needs of policy makers, fire and fuel managers
 - Funding scientists who compete in a rigorous peer-review process to ensure the best projects are funded
 - Ensuring managers are aware of, understand, and can use information to make sound decisions and implement projects

Research focus

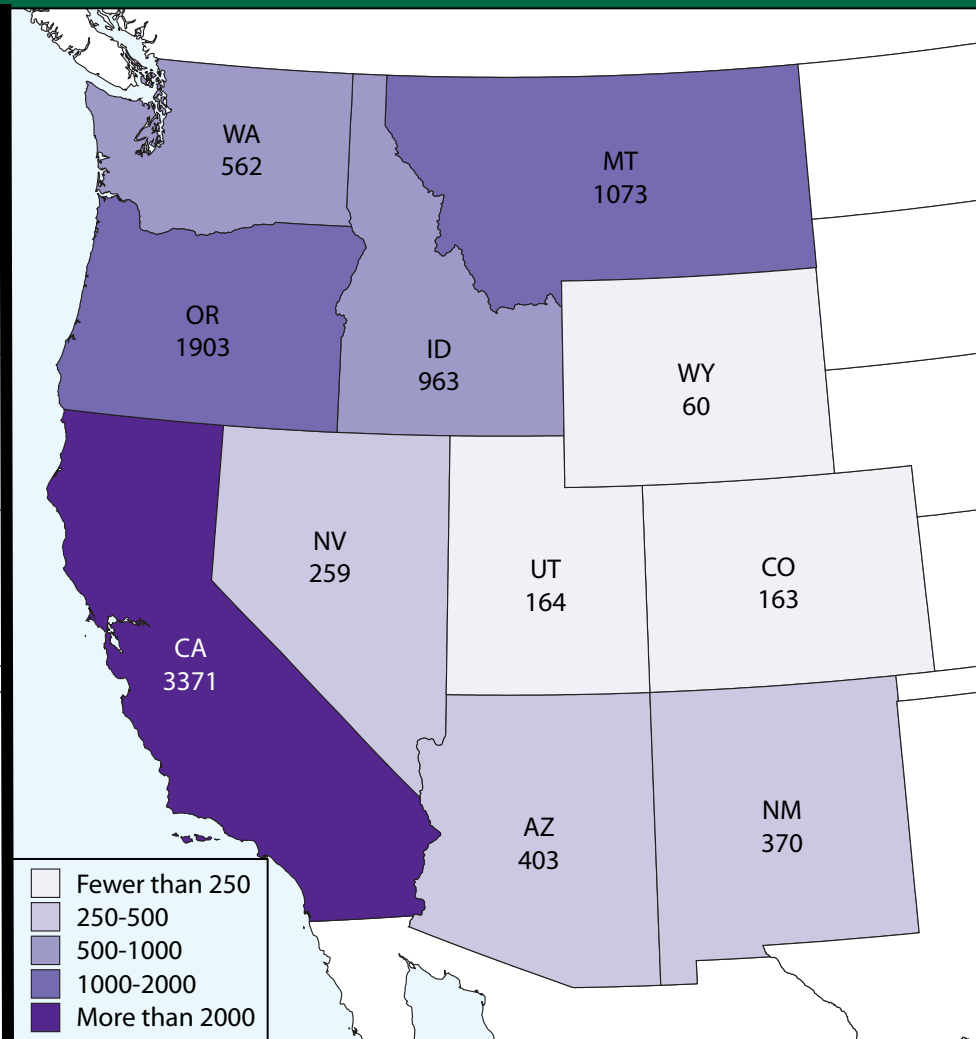


- Methods: Interviews, documents, meetings

Dispatch Priority List Contractors



Business location



Equipment location

Recent work

Ecosystem Workforce Program
WORKING PAPER NUMBER 61
SUMMER 2015



Private Contracting on National Forest Lands: Preseason Contracting and Fire Response

HEIDI HUBER-STEARNES, R. PATRICK BIXLER, AND CASSANDRA MOSELEY



INSTITUTE FOR A SUSTAINABLE ENVIRONMENT

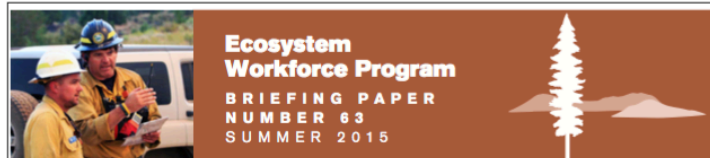


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Quick Guide

Innovative Contracting: A Guide for Collaborative Groups and Community Partners



"CALL WHEN NEEDED": PRIVATE CONTRACTING FOR WILDFIRE SUPPRESSION IN AN UNPREDICTABLE WORK ENVIRONMENT

HEIDI HUBER-STEARNES, R. PATRICK BIXLER, AUTUMN ELLISON, AND CASSANDRA MOSELEY

The U.S. Forest Service is facing unprecedented challenges in wildfire suppression, and increasingly depends on resources outside the agency to maintain adequate wildfire response capacity. Reliance on private wildfire suppression contractors has increased over time, especially in bolstering capacity for direct attack resources, such as aerial resources, firefighter hand crews and other equipment. However, little is known about private contracting businesses, in particular how they navigate the same fundamental challenge: to maintain and grow their businesses that directly depend on unpredictable fire seasons and agency needs. This briefing paper reports findings from a case study in southern Oregon, as part of a larger project investigating the role of private wildfire suppression contracting on national forests.

Approach

We conducted 19 semi-structured interviews with federal and state agency personnel and private contractors involved in wildfire suppression contracting in southern Oregon (Jackson, Josephine and Klamath counties), focusing on how businesses are operating in unpredictable private contracting markets.

Results

The private contracting industry began in the Pacific Northwest in the 1970's, particularly after the 1971 Oregon Forest Practices Act required heightened fuel reduction and reforestation in the forests. Wildfire suppression often started as a secondary focus for businesses primarily focused on fuels reduction and reforestation. Since then, private businesses and agencies have worked to further develop the industry by developing contracting systems, aligning agency and business standards for firefighter training and equipment specifications, and creating wildfire suppression-oriented businesses.

In this case study we focused on "call when needed" contracting, which means contractors are only called if needed for a specific wildfire incident. Because need is subject to the type, timing, location, and intensity of wildfires each season, contractors must risk upfront investments to ensure their crews and equipment meet agreement and contract requirements with no guarantee that they will be called. Suppression contracting businesses must balance these investments with uncertain demand to remain viable through both busy and slow wildfire seasons. Our research found that private contractors are employing multipronged strategies to navigate this unpredictable marketplace.

Contractors buffer from unpredictable demand by diversifying services. The more a private business aligns with providing wildfire support exclusively, the less buffered they are from the volatility of wildfire seasons. To address this, contractors are diversifying when, where and how equipment and crews can be used.



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Ongoing work: where we need your help

- **Interviews (through March):**
 - Agency staff (local, regional and national)
 - Hand crew contractors
 - DPL contractors
- **Questions for contractors:** successes and challenges, transitions in industry, types of businesses
- **Private contractor participation is critical to this research, and very appreciated!**



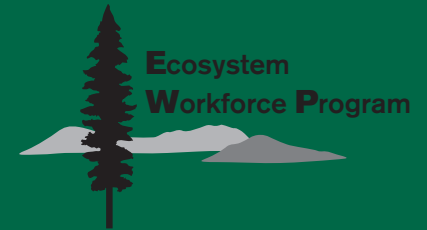
Thank you!

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